MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2022/2023

BBL2014 – BUSINESS LAW

(All sections/ Groups)

06 October 2023
09:00 a.m. – 11:00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of 3 pages (including the cover page) with 4 Questions only.

2. Answer **ALL** questions. All questions carry equal marks and the distribution of marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

QUESTION 1 (25 MARKS)

(a) Discuss the meaning of 'executory', 'executed', and 'past' consideration in Malaysia and examine the exceptions to the invalidity of agreements without consideration by referring to relevant statutory provisions and decided cases.

(15 Marks)

(b) Allan and his wife reached a mutual agreement to separate. Before they began to live separately and apart, Allan executed an agreement in writing and registered the document wherein he promised to give Bella a monthly maintenance allowance of RM250 during the separation period. The agreement recited that there had been continuous quarrels between Allan and Bella. Bella sues Allan to enforce the promise. Discuss whether the promise made is enforceable.

(10 Marks)

QUESTION 2 (25 MARKS)

(a) Analyse the situations below by determining the types of agencies between the involved parties. Support your answer with relevant legal authorities.

(i) Mike drove a fruit-laden truck from Malacca to Johor and encountered an accident. Mike tried several times to contact his Principal Ethan. Unable to secure an alternative means of transporting the fruits to Johor and after several attempts to reach Ethan, Mike resorted to selling the fruits to nearby villagers.

(6 Marks)

(ii) Alan has given his van to Kelvin to help him look for a buyer. Alan reminded Kelvin not to sell the van as he would sell it himself. However, Kelvin sold the van to Melisa at a price of RM70,000. Alan was not happy with Kelvin's act. However, he took a cheque drawn by Melisa amounting to RM 70,000.00 and deposited it in his account.

(6 Marks)

(b) Discuss the duties and responsibilities of an Agent to the Principal and a Principal to an Agent in a principal-agent relationship.

(13 Marks)

QUESTION 3 (25 MARKS)

(a) Tom and Nicky are partners of Seashell Trading, a shop selling souvenirs making of seashells. Tom's friend, Amy went to the Seashell Trading to complain about a seashell necklace she bought from the shop a week ago. Tom became angry and hit Amy with his handphone. Amy brought a charge against Tom for causing her grievous hurt. Nicky is worried that he would also be charged for causing grievous hurt since he is Tom's partner. Discuss a partner's liability for crimes committed by other partners.

(10 Marks)

Continued...

(b) Ali, Kassim and Abu want to form a partnership under the Partnership Act 1961. Advise them on how a partnership can be formed and the ways a partnership may be dissolved.

(15 Marks)

QUESTION 4 (25 MARKS)

(a) The articles of Dollar Sdn. Bhd. provide *inter alia*:

"(i) Any shareholder appointed to the position of managing director shall hold the position for life.
(ii) Any shareholder who at any time wishes to transfer any or all his shares shall first offer them to existing shareholders of the company who shall be obliged to purchase such shares at the original purchase price."

In January, Pound, a shareholder, was appointed managing director of Dollar Bhd. The board of directors has taken a decision to dismiss Pound forthwith because of his poor performance on the job to date.

Yen, a shareholder, wishes to sell his shares and has received an offer from Bhat, who is not a shareholder, to buy the shares at a price well above the original purchase price. Euros, an existing shareholder, is adamant that he should be given the opportunity to purchase Yen's shares at the original purchase price. Yen is the only shareholder who currently holds less than 5% of the shares of Dollar Bhd. Advise.

(10 Marks)

(b) Discuss the legal principle on company law established by the case *Salomon v. Salomon & Co. Ltd.* and the exception under which a company is a person separate from its members and directors.

(15 Marks)

End of Paper.